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INFO AMEMBASSY THE HAGUE

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S E C R E T SECTION 1 OF 3 USNATO 5391

E.O. 11652: GDS 12-31-81

TAGS: MCAP, NATO, NL

SUBJECT: NETHERLANDS FORCES FOR NATO

REF: A. USNATO 4835

B. USNATO 3619

C. USNATO 5299

SUMMARY. NEW DUTCH GOVERNMENT IS FACED WITH DILEMMA OF FULFILLING
CAMPAIGN PROMISES TO REDUCE DEFENSE COSTS AND AT SAME TIME MAINTAINING

A SIGNIFICANT CONTRIBUTION TO NATO. DUTCH REPLY TO DPQ(73), WHICH
REPORTS ONLY THROUGH 1974, RECONFIRMS THAT FUTURE DEFENSE PLANS
WILL BE GUIDED BY NEW DEFENSE WHITE PAPER AND BY NATO STUDIES ON
SPECIALIZATION/RATIONALIZATION OF DEFENSE TASKS. NEW DEFENSE WHITE
PAPER, WHICH WE UNDERSTAND
WILL BE PRESENTED TO PARLIAMENT IN MARCH 1974, IS
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ALSO TO ADDRESS POSSIBILITY OF REDUCING TERM OF CONSCRIPTION
SERVICE FROM 18 MONTHS TO PERIOD OF 14 TO 12 MONTHS. DPQ(73)
STRESSES THAT BASIC AIM OF FUTURE
DEFENSE PLANNING IS TO MAXIMIZE EFFECTIVE

USE OF AVAILABLE RESOURCES FOR DEFENSE. DEFENSE EXPENDITURES DECLINE BY ABOUT ONE HALF OF ONE PERCENT IN REAL TERMS BETWEEN 1973 AND 1974. PERCENT OF GNP FOR DEFENSE ALSO DECLINES. COUNTRY PLANS FOR ARMY AND NAVY DEVIATE SLIGHTLY FROM COMMITMENT UNDERTAKEN FOR 1973; AIR FORCE IS MEETING 1973 COMMITMENT. MOST DECISIONS ON PROCURING MAJOR EQUIPMENT FOR FUTURE HAVE BEEN DEFERRED UNTIL AFTER RELEASE OF DEFENSE WHITE PAPER. HIGHLIGHTS OF CURRENT MODERNIZATION PROGRAM ARE ACQUISITION OF TANKS AND AT WEAPONS, CONSTRUCTION OF TWO GUIDED MISSILE DESTROYERS AND ONE COMBAT SUPPORT SHIP, AND IMPROVED AIRCRAFT SURVIVABILITY. AIR FORCE WAR RESERVES ARE REPORTED AT 30 COMBAT DAYS OR MORE; ARMY AND NAVY REPORT SOME ITEMS BELOW 30 DAY LEVEL. NAVY AND AIR FORCE PERSONNEL DECLINE SLIGHTLY; ARMY PERSONNEL REMAIN STABLE. AT MULTILATERAL EXAMINATION SESSION, WE PROPOSE TO SEEK ASSURANCES THAT DUTCH WILL NOT REDUCE THEIR DEFENSE EFFORT. END SUMMARY.

1. FORCES. A. ARMY. MAJOR UNIT COMMITMENT TO NATO UNDERTAKEN FOR 1973 IS BEING MET WITH EXCEPTION OF CONVERTING 155 MM HOWITZER BATTALION TO NUCLEAR CAPABLE. 1974 MAJOR UNIT COMMITMENT CONSISTS OF 2 MECHANIZED (OPERATIONAL READINESS STATUS A1) AND ONE INFANTRY DIVISION (C3); ONE INFANTRY BRIGADE (C2); AND ONE DUAL CAPABLE 8 INCH HOWITZER AND TWO HONEST JOHN BATTALIONS. MECHANIZATION OF C3 INFANTRY DIVISION IS STILL IN PROGRESS. ONE A1 BRIGADE IS STATIONED IN THE FRG. A SECOND TANK BATTALION (A1) HAS BEEN DEPLOYED TO FRG. BY END-1973, NETHERLANDS WILL HAVE 12 TANK BATTALIONS (53 TANKS EACH) OF WHICH 4 ARE COMBAT READY (A1), ANOTHER 4 BELONG TO RIM COMPONENTS OF COMBAT READY DIVISIONS AND REMAINING 4 ARE MOBILIZABLE AS PART OF C3 INFANTRY DIVISION. BY EARLY 1974, THERE WILL BE 6 ANTI-TANK COMPANIES, 4 REORGANIZED AND 2 NEWLY FORMED. FORCE TABLES DO NOT PROJECT BEYOND 1974.

(1) EQUIPMENT AND LOGISTICS. MODERNIZATION PLANS ARE BASED ON NATO FORCE GOALS AND AD-70 RECOMMENDATIONS. AS OUTLINED ABOVE, EMPHASIS IS BEING PLACED ON IMPROVING TANK AND ANTI-TANK UNITS. IMPROVEMENTS ARE BEING ACCOMPLISHED THROUGH
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INTRODUCTION OF LEOPARD TANK TO COMBAT READY UNITS (EQUIPMENT TABLES REPORT 468 LEOPARDS ON-HAND FROM 1972), THUS FREEING CENTURION (FORMERLY IN COMBAT READY UNITS) TO FORM NEW C2 TANK BATTALIONS. ORDERS FOR 6 LEOPARD BRIDGELAYERS AND DOZERS ARE TO BE PLACED BEFORE END-1973. TOW WEAPON SYSTEM IS BEING INTRODUCED INTO REORGANIZED ANTI-TANK COMPANIES (EQUIPMENT TABLES LIST SOME 85 TOW BY END-1974); TOW HAS ALSO BEEN CHOSEN AS BATTALION LEVEL AT WEAPON (INTRODUCTION TO BATTALIONS IS TO BEGIN IN 1974). DECISION HAS BEEN MADE NOT TO PURCHASE LANCE AS REPLACEMENT FOR HONEST JOHN (SEE USNATO 5299). ORDERS FOR OERLIKON 35MM ANTI-AIRCRAFT GUN WITH RADAR CONTROL MOUNTED ON LEOPARD CHASSIS ARE EXPECTED TO BE PLACED IN 1973. REPLACEMENT OF ARMORED COMBAT VEHICLES IS STILL UNDER STUDY; (A NUMBER

OF PROTOTYPES HAVE BEEN BOUGHT); A DECISION IS EXPECTED IN 1974. GRADUAL REPLACEMENT OF WHEELED TRANSPORT VEHICLES IS IN PROGRESS. PROCUREMENT OF REPLACEMENT FOR SOME OF OBSOLETE PIPER FIXED WING AIRCRAFT HAS BEEN INITIATED. INTRODUCTION OF NEW VHF FM RADIO SETS IS PROGRESSING ACCORDING TO PLAN. MODERN SSB RADIO SETS ARE ALSO BEING PROCURED; OTHER COMMUNICATION IMPROVEMENTS ARE PLANNED. MEMORANDUM STATUS STOCK LEVELS ARE TO BE INCREASED SELECTIVELY AND IN PHASES UNTIL THEY REACH 30 COMBAT DAYS. OPERATIONAL STOCKS FOR MOST MAJOR EQUIPMENT ITEMS ARE ALREADY AT 30 DAYS OR MORE. AMMUNITION FOR TOW (8 DAYS), 175 MM GUN (12), 40L70AA (24), AND 84 MM GUN (28) IS REPORTED BELOW 30 DAYS AT END-1974; REMAINING ELEVEN ITEMS REPORTED ARE AT MORE THAN 30 DAYS. HEAVY EQUIPMENT FOR SHORT LEAVE PERSONNEL OF BRIGADE STATIONED IN FRG HAS BEEN PRE-POSITIONED IN FRG.

(2) PERSONNEL. DPQ(73) INDICATE DEFENSE REVIEW CURRENTLY UNDERWAY MAY HAVE IMPACT ON FUTURE FORCE LEVELS. ACTIVE DUTY STRENGTH IS REPORTED AT 80,550 IN BOTH 1973 AND 1974. ABOUT 45,500 OF ACTIVE FORCE ARE IN NATO ASSIGNED/EARMARKED UNITS, WITH OVER 5,000 DEPLOYED IN FRG. APPROXIMATELY 37 PERCENT OF ACTIVE FORCE ARE REGULARS. ACTUAL STRENGTH IS ROUGHLY 35 PERCENT OF WAS. SOME 147,500 RESERVISTS ARE TO BE RECALLED DURING FIRST 15 DAYS OF MOBILIZATION, WITH 45,700 FOR NATO ASSIGNED EARMARKED UNITS. CLOSE TO 12,000 RESERVISTS RECEIVE ANNUAL REFRESHER TRAINING; TRAINING VARIES FROM LESS THAN 7 DAYS TO 28 DAYS. NUMBER OF RESERVISTS UNDERGOING ANNUAL TRAINING IS HIGHER THAN 1971 LEVEL, BUT IS LESS THAN PREVIOUSLY PROJECTED LEVEL FOR 1972 AND 1973.

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B. NAVY. COMMITMENT TO NATO UNDERTAKEN FOR 1973 IS GENERALLY BEING MET. DIFFERENCES BETWEEN 1973 STRUCTURE AND COMMITMENT ARE THAT ONE LIGHT CRUISER HAS BEEN PHASED OUT, ONE MPA HAS ERASHED, AND READINESS STATUS OF SOME SHIPS HAS BEEN ADJUSTED, BOTH UPWARD AND DOWNWARD. 1974 COMMITMENT CONSISTS OF ONE GUIDED MISSILE CRUISER (A1), 6 SUBMARINES (FOUR A1), 18 OCEAN ESCORTS (13 A), 10 COASTAL AND ADMINISTRATIVE ESCORTS (SEVEN A1), 7 COASTAL MINESWEEPERS (B2), 2 COMBAT SUPPORT SHIPS (ONE A1), 21 MPA (A1 TO A5), AND 6 ASW HELICOPTERS (A1). NETHERLANDS ALSO REPORTS UNDER NATIONAL COMMAND 54 MINOR VESSELS AND SUPPORT SHIPS, INCLUDING 45 MCM UNITS (COUNTING DIVING VESSELS AND HQ SUPPORT SHIPS), AND 3 ASW HELICOPTERS. FORCE TABLES MAKE NO PROJECTIONS BEYOND 1974.

(1) EQUIPMENT AND LOGISTICS. MEMORANDUM INDICATES NATO FORCE GOALS AND AD-70 RECOMMENDATIONS ARE BEING PURSUED. NO DIRECT REFERENCE IS MADE TO EXTENSION OF SPECIALIZATION STUDY TO INCLUDE MARITIME TASKS. HIGHLIGHT OF LIMITED MODERNIZATION PROGRAM IS CONSTRUCTION OF TWO GUIDED MISSILE DESTROYERS
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(FIGATES); SEA TRAILS FOR THESE FRIGATES WILL BE CARRIED OUT IN 1975/76. REPLACEMENT OF HOLLAND AND FRIESLAND CLASS OCEAN ESCORTS IS STILL ENVISAGED. CONSTRUCTION OF FIRST FOUR REPLACEMENT ESCORTS IS EXPECTED TO BEGIN IN 1974; A SECOND SERIES OF 4 IS PLANNED. THE COMBAT SUPPORT SHIP UNDER CONSTRUCTION IS EXPECTED TO BE READY FOR SEA TRIALS BY END-1974; IT REPRESENTS THE ONLY SHIP INCREASE TO NATO COMMITMENT IN 1974. OLDER MCM UNITS ARE BEING PHASED OUT, HOWEVER, NUMBER OF COASTAL MINE-SWEEPERS COMMITTED TO NATO REMAINS SAME AS IN 1974. DOKKUM CLASS MCM SHIPS ARE BEING MODERNIZED AND FOURTH CONVERTED MINE HUNTING CRAFT WILL START SEA TRIALS IN 1974. EQUIPMENT TABLES REPORT 8 ATLANTIQUE AND 12 NEPTUNE MPA ON-HAND AT END-1974 (ONE MPA SHY OF 1974 NATO COMMITMENT). MPA'S WILL BE BASED ON AIR-FIELDS IN UK IN EVENT OF AN EMERGENCY. REPLACEMENT OF OLDER MPA'S IS NOT DISCUSSED IN DPQ(73). MEMORANDUM INDICATES NATIONAL GOAL IS 45 WARTIME DAYS OF STOCKS, INCLUDING PRE-POSITIONED STORAGE IN UK. FIRST PRIORITY IS GIVEN TO 30 DAYS FOR COMBATANT AND SUPPORT SHIPS. AMMUNITION TABLES ONLY REPORT FIVE ITEMS THROUGH 1974: AS 12 AIR/SURFACE (50 DAYS), MK46 ANTI-SUB TORPEDO (14 DAYS), MK46 LIGHT WEIGHT AIRCRAFT TORPEDO (23 DAYS), TERRIER MISSILES (17 DAYS), AND SEACAT MISSILE (60 DAYS). REPLACEMENT OF MK8 ANTI-SHIP TORPEDO IS UNDER STUDY.

(2) PERSONNEL. ACTIVE DUTY STRENGTH, INCLUDING MARINE CORPS, IS 18,840 IN 1973, DECLINING SLIGHTLY TO 18,580 BY END-1974. OVER 80 PERCENT OF ACTIVE FORCE ARE REGULARS. ROUGHLY

ONE-THIRD OF ACTIVE FORCE (NOT COUNTING MARINES) ARE ASSIGNED TO SHIPS. CAT A UNITS ARE MANNED AT 80 PERCENT OF WAS, CAT B AT 20 PERCENT, AND CAT C AT 10 PERCENT. THERE ARE SOME SHORTAGES OF SPECIALISTS. ACTIVE STRENGTH IS NEARLY TWO-THIRDS OF WAS. A RESERVIST POOL OF 35,000 IS REPORTED, WITH 10,500 TO BE RECALLED DURING FIRST 15 DAYS OF MOBILIZATION. SOME 1,000 RESERVISTS ARE

SCHEDULED FOR ANNUAL REFRESHER TRAINING.

C. AIR FORCE. 1973 COMMITMENT TO NATO IS BEING MET. 1974 COMMITMENT (ASSIGNED TO NATO) CONSISTS OF TWO F104G FBS/A, THREE NF-5A ATTACK, ONE RF-104G TACTICAL RECCE, TWO F-104G AWX, SEVEN NIKE AND TEN HAWK SQUADRONS. ALL SQUADRONS ARE REPORTED IN SECRET

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OPERATIONAL READINESS STATUS A1. AN ADDITIONAL NIKE SQUADRON REMAINS EARMARKED FOR ASSIGNMENT TO NATO. COUNTRY PLANS ARE IN LINE WITH NATO 1974 FORCE GOALS, EXCEPT FOR NUMBER OF HAWK SQUADRONS (3 SQUADRONS SHORT) AND UE OF RF-104 RECCE SQUADRONS (3 AIRCRAFT SHORT). FORCE TABLES DO NOT PROJECT BEYOND 1974.

(1) EQUIPMENT AND LOGISTICS. MODERNIZATION PLANS CONTINUE TO BE BASED ON AD 70 AND NATO FORCE GOALS. DECISION ON WHEN TO REPLACE F-104 FLEET AND WITH WHAT HAS BEEN DEFERRED. MEMORANDUM STATES MANY FACTORS, INCLUDING THE NATO STUDY ON SPECIALIZATION OF AIR FORCES IN CENTRAL REGION, WILL HAVE AN INFLUENCE ON FINAL DUTCH DECISION. SOME ONE HUNDRED MILLION GULDERS HAVE BEEN EARMARKED IN 1974 BUDGET IN PREPARATION FOR REPLACEMENT OF F-104 STARFIGHTER. RESPONSE TO DPQ(73) MAKES NO REFERENCE TO PAST PROPOSAL TO REPLACE NF-5 WITH SAME TYPE AIRCRAFT REPLACING STARFIGHTER. DELIVERY OF IMPROVED RECONNAISSANCE PODS FOR RF-104 RECCE SQUADRON IS EXPECTED IN 1974/75. ALL NF-5A AIRCRAFT ARE TO BE EQUIPPED WITH RADAR WARNING RECEIVERS (1974/75) AND 70 PERCENT OF OFFENSIVE F-104G'S ARE TO BE EQUIPPED WITH SELF-ACTIVATING INTEGRATED ESM/ECM SYSTEM (1974/75). GUIDANCE AND CONTROL SYSTEMS OF AIM 9B AIR-TO-AIR MISSILES HAVE BEEN MODERNIZED. NETHERLANDS STILL INTENDS TO PARTICIPATE IN AN INTERNATIONAL HAWK IMPROVEMENT PROGRAM. SAMCAP MODIFICATION HAS BEEN ORDERED FOR NIKE SYSTEMS; COMPLETION IS PROJECTED FOR 1974/75. CONSTRUCTION OF AIRCRAFT SHELTERS FOR 70 PERCENT OF ASSIGNED AIRCRAFT AND ASSOCIATED HARDENED FACILITIES HAS BEEN STARTED; COMPLETION IS PROJECTED BY MID-1975. COMPLETION OF SHELTERS AT FIRST AIRBASE (32 SHELTERS) IS EXPECTED BY FEBRUARY 1974. THERE ARE NO PLANS TO PROVIDE ADDITIONAL SHELTERS FROM NATIONAL FUNDS. AIRBASE CAMOUFLAGE AND TONE-DOWN PROGRAMS ARE IN PROGRESS. IMPROVEMENTS TO ACTIVE AIR DEFENSE OF AIR INSTALLATIONS ARE BEING IMPLEMENTED; FURTHER IMPROVEMENTS ARE PLANNED. MEMORANDUM STATES LOGISTIC SUPPORT FACILITIES, LOGISTIC RESOURCES, AND STOCK LEVELS, INCLUDING SPARE PARTS AND AMMUNITION OTHER THAN WAR-CONSUMABLES, ARE GENERALLY ADQUATE TO SUPPORT THE ASSIGNED AND EARMARKED UNITS FOR AT LEAST 30 COMBAT DAYS. SPECIAL DIS-

TRIBUTION TABLES CONFIRM THAT STOCKS FOR ALL AMMUNITION ITEMS
ARE AT 30 DAYS OR MORE BY END-1973. AT END-1974, ONLY NEWLY
INTRODUCED BL755 CLUSTER BOMBS ARE BELOW 30 DAY LEVEL.
MEMORANDUM STATES CLUSTER BOMB UNITS FOR 300 SORTIES ARE
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BEING PROCURED. MK82 BOMBS FOR 400 SORTIES HAVE BEEN ORDERED.
PROCUREMENT OF OTHER ADVANCED AIR DELIVERED WEAPONS IS UNDER
STUDY.

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(2) PERSONNEL. ACTIVE DUTY STENGTH DECLINES SLIGHTLY
FROM 21,215 AT END-1973 TO 20,800 AT END-1974. REGULARS MAKE
UP APPROXIMATELY 70 PERCENT OF ACTIVE FORCE. ACTIVE STRENGTH
IS CLOSE TO 75 PERCENT OF WAS. ROUGHLY 11 THOUSAND RESERVISTS
ARE CARRIED ON ROLLS; ALL ARE TO BE RECALLED DURING FIRST 15
DAYS OF MOBILIZATION. SLIGHTLY MORE THAN 900 RESERVISTS ARE
SCHEDULED TO RECEIVE REFRESHER TRAINING IN 1973; NUMBER IS TO
INCREASE TO 1,400 IN 1974. AIRCREW/AIRCRAFT RATIOS VARY IN 1973
FROM 1.1 TO 1 TO 1.6 TO 1. IN 1974 AIRCREW/AIRCRAFT RATIO IS TO
BE 1.3 TO 1 FOR COMBAT AIRCRAFT (BASED ON 18 AIRCRAFT PER SQUADRON).
ANNAUL NUMBER OF FLYING HOURS PER AIRCREW VARY FROM 163 TO 209
HOURS IN 1973. IN 1974 AN AVERAGE OF 200 HOURS IS PLANNED, EXCEPT
FOR TWO F104 AWW SQUADRONS (175 HOURS). NO PILOT TRAINING PROBLEMS
ARE REPORTED.

2. DEFENSE EXPENDITURES. A. NEW DUTCH GOVERNMENT HAS NOT YET DETERMINED FINANCIAL GUIDELINES FOR FUTURE YEARS. HENCE REPLY TO DPQ(73) DOES NOT COVER POST-1974 PERIOD. A NEW DEFENSE WHITE PAPER SETTING OUT FUTURE DEFENSE PLANS AND POLICY WILL, WE
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UNDERSTAND, BE PRESENTED TO PARLIAMENT IN MARCH 1974. DPQ(73) LEAVES DOOR OPEN TO ADJUST DEFENSE BUDGET FOLLOWING RELEASE OF NEW WHITE PAPER. DPQ(73) NOTES FINANCIAL DIFFICULTIES INVOLVED IN RETENTION OF ALL TASKS OF DUTCH ARMED FORCES AND STRESSES IMPORTANCE OF MAXIMIZING EFFECTIVE USE OF AVAILABLE DEFENSE RESOURCES. DPQ(73) MAKES IT CLEAR THAT THE NETHERLANDS ATTACH CONSIDERABLE IMPORTANCE TO NATO STUDIES ON SPECIALIZATION/ RATIONALIZATION OF DEFENSE TASKS IN THE CENTRAL REGION, ESPECIALLY FOR DETERMINING FUTURE LEVELS OF DEFENSE SPENDING.

B. FINANCIAL AND ECONOMIC SECTION REPORTS FOLLOWING DEFENSE EXPENDITURES (NATO DEFINITION) IN MILLIONS OF GUILDERS:

	CURRENT PRICES	CONSTANT 1972 PRICES
1972	4974	4974
1973	5651	5093
1974	6149	5069

ESTIMATES INCLUDE SUPPLEMENTARY FUNDS TO COVER COSTS OF WAGE AND PENSION INCREASES. IN CURRENT PRICES DEFENSE EXPENDITURES INCREASE BY 13.6 PERCENT IN 1973 OVER 1972 AND BY 8.8 PERCENT IN 1974 OVER 1973. IN CONSTANT 1972 PRICES USING PRICE DEFLATOR FOR GENERAL GOVERNMENT EXPENSES DEFENSE EXPENDITURES INCREASE BY 2.4 PERCENT IN 1973 OVER 1972 AND DECLINE BY ABOUT ONE-HALF ON ONE PERCENT IN 1974 OVER 1973.

C. BASED ON NATO DEFINITION OF DEFENSE EXPENDITURES, SHARE OF GNP FOR DEFENSE IS ESTIMATED AT 3.71 PERCENT IN 1972; 3.71 PERCENT IN 1973; AND 3.66 PERCENT IN 1974. (PREVIOUS ESTIMATE FOR 1972 WAS 3.8 PERCENT.)

D. PORTION OF DEFENSE BUDGET FOR MAJOR EQUIPMENT AND AMMUNITION CLIMS FROM 13.9 PERCENT IN 1972, TO 14.5 PERCENT IN 1973, TO 15.7 PERCENT IN 1974. PERSONNEL COSTS INCLUDING PENSIONS CLAIM ROUGHLY 50 PERCENT OF DEFENSE EXPENDITURES FROM 1972 TO 74. IN ORDER TO MAINTAIN DEFENSE EFFORT IN FACE OF RISING COSTS, SOME OPERATIONAL CAPABILITIES HAVE BEEN OR WILL BE LESSENER. PLANNED AUGMENTATION IN EQUIPMENT EXPENDITURES IS IN LINE WITH DUTCH
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INTENTION TO INCREASE RELATIVE PROPORTION OF DEFENSE BUDGET FOR

CAPITAL EXPENDITURE.

3. PROPOSED USNATO POSITION FOR MULTILATERAL EXAMINATION. AT MULTILATERAL REVIEW OF NETHERLANDS FORCE PLANS NOW SCHEDULED FOR NOVEMBER 13, USNATO PROPOSES TO RAISE FOLLOWING GENERAL POINTS.

A. NOTE THAT WHEREAS CURRENT DUTCH DEFENSE REVIEW AND NATO SPECIALIZATION STUDIES ARE EXPECTED TO AFFECT FUTURE FORCE PLANS, US DOES NOT VIEW SPECIALIZATION/RATIONALIZATION AS A VEHICLE FOR REDUCTION IN DEFENSE EFFORT. RECALL MEMORANDUM STATEMENT THAT NETHERLANDS ACCEPTS AGREED NATO POLICY THAT PRESENT FORCE LEVELS SHOULD NOT BE REDUCED EXCEPT IN FRAME WORK OF MBFR. WE WILL SEEK ASSURANCE THAT DUTCH INTEND TO MAINTAIN UNDIMINISHED DEFENSE EFFORT.

B. WELCOME PLANNED ANTI-TANK IMPROVEMENTS.

C. NOTE IMPORTANCE US ATTACHES TO IMPROVING WAR RESERVE STOCKS; EXPRESS CONCERN THAT EXPENDITURES FOR AMMUNITION APPEAR TO BE DECLINING; AND, ENCOURAGE NETHERLANDS TO INCREASE ARMY AND NAVY WAR RESERVE STOCKS.

D. URGE DUTCH TO RECONSIDER NATIONAL FUNDING OF SHELTERS FOR AIRCRAFT NOT COVERED BY NATO INFRASTRUCTURE PROGRAM.

4. FOR THE HAGUE. USNATO WOULD WELCOME AN OBSERVER FROM AMEMBASSY AT NATO'S NOVEMBER 13 MULTILATERAL EXAMINATION OF DUTCH FORCE PLANS. REVIEW IS SCHEDULED FOR 1500.

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